



Economic Impact of Tourism in Louisiana, 2018

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Prepared for :



TOURISM
ECONOMICS

AN OXFORD ECONOMICS COMPANY

1. Key Findings

1) Tourism is a major contributor to Louisiana's economy

Key facts about Louisiana's tourism sector

Tourism spending supports 7.0% of all jobs in Louisiana

Tourism supports \$1,082 in state and local taxes for every household in Louisiana



2) Visitor spending generates income, jobs, and tax revenue

Louisiana Visitor Economy 2018

Dollar figures in millions

(Impacts include direct, indirect, and induced)

Visitor spending (direct spend only)	\$14,972
Economic impact	\$22,466
Employment impact	187,355
Personal income impact	\$5,974
Tax impacts	\$3,295
Federal	\$1,415
State & Local	\$1,880

Source: Tourism Economics



3. Visitor Economic Impact

Introduction and definitions

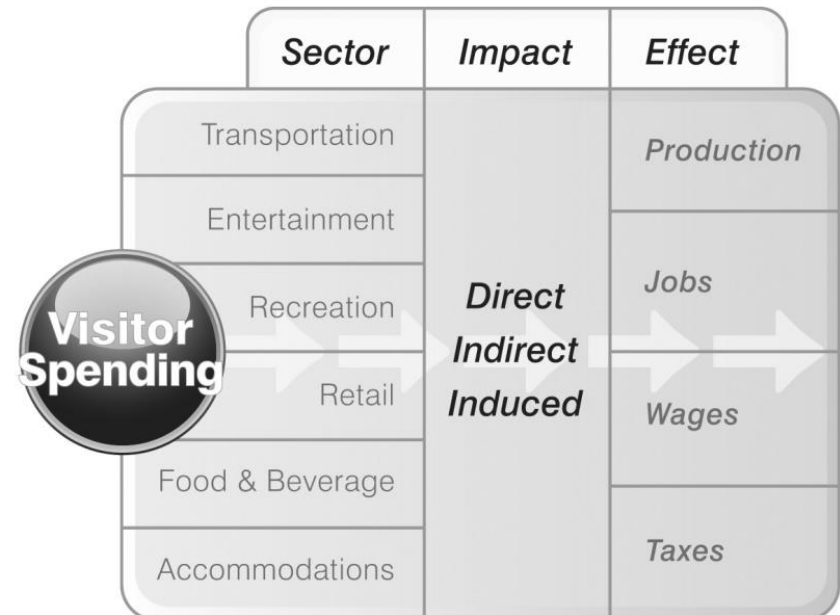
This study measures the economic impact of tourism in the state of Louisiana. Our analysis of tourism's impact on Louisiana begins with actual spending by tourists, but also considers the downstream effects of this injection of spending into the local economy. To determine the total economic impact of tourism in Louisiana, we input tourism spending into a model of the Louisiana state economy created in IMPLAN. This model calculates three distinct types of impact: direct, indirect, and induced.

- Travelers create **direct** economic value within a discreet group of sectors (e.g. recreation, transportation). This supports a relative proportion of jobs, wages, taxes, and GDP within each sector.
- Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called **indirect** impacts.
- Lastly, the **induced** impact is generated when employees whose wages are generated either directly or indirectly by tourism, spend those wages in the local economy.

The impacts on business sales, jobs, wages, and taxes are calculated for all three levels of impact.

How visitor spending generates employment and income

Visitor spending flows through the Louisiana economy and generates indirect benefits through supply chain and income effects.



Business sales impacts (1 of 2)

Louisiana visitor spending of \$15 billion translated into nearly \$22.5 billion in business sales including indirect and induced impacts.

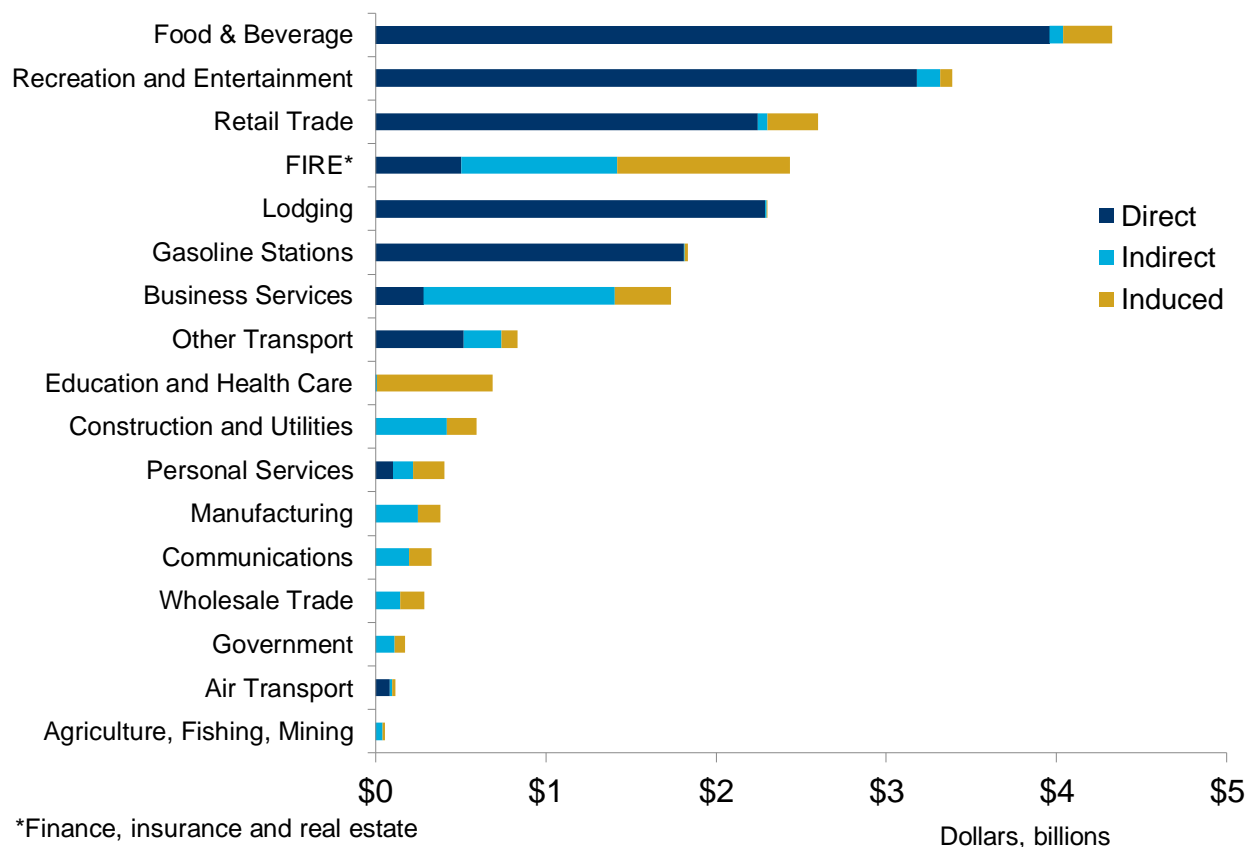
Business sales impacts, billions				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining		\$0.04	\$0.02	\$0.06
Construction and Utilities		\$0.42	\$0.18	\$0.59
Manufacturing		\$0.25	\$0.13	\$0.38
Wholesale Trade		\$0.14	\$0.14	\$0.29
Air Transport	\$0.08	\$0.02	\$0.02	\$0.12
Other Transport	\$0.52	\$0.22	\$0.09	\$0.83
Retail Trade	\$2.24	\$0.06	\$0.29	\$2.60
Gasoline Stations	\$1.81	\$0.01	\$0.02	\$1.83
Communications		\$0.19	\$0.13	\$0.33
Finance, Insurance and Real Estate	\$0.50	\$0.92	\$1.01	\$2.43
Business Services	\$0.28	\$1.12	\$0.33	\$1.73
Education and Health Care		\$0.01	\$0.68	\$0.69
Recreation and Entertainment	\$3.18	\$0.13	\$0.07	\$3.39
Lodging	\$2.29	\$0.01	\$0.00	\$2.30
Food & Beverage	\$3.96	\$0.08	\$0.29	\$4.33
Personal Services	\$0.10	\$0.12	\$0.18	\$0.40
Government		\$0.11	\$0.06	\$0.17
TOTAL	\$14.97	\$3.84	\$3.65	\$22.47
% change	4.8%	3.0%	3.3%	4.3%

Source: Tourism Economics

Business sales impacts (2 of 2)

While the majority of sales are in industries directly serving visitors, significant benefits accrue in sectors like finance, insurance and real estate from selling to tourism businesses.

Business sales impacts, 2018



Source: Tourism Economics

GDP impacts (1 of 2)

Visitors generated \$10.6 billion in state GDP (value added) in 2018 including indirect and induced benefits—4.2% of the Louisiana economy. This excludes the flow of dollars through the Louisiana economy net of import leakages.

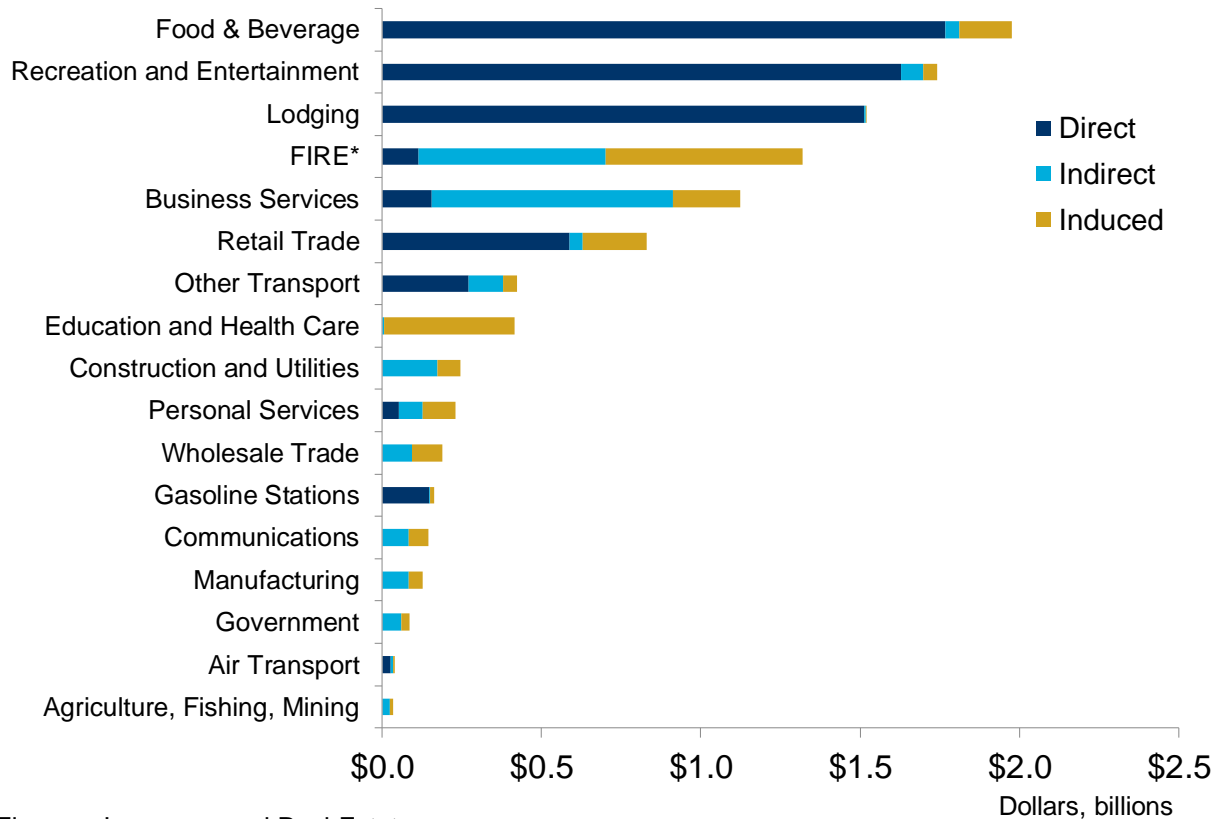
Value added impacts, billions				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining		\$0.02	\$0.01	\$0.03
Construction and Utilities		\$0.17	\$0.07	\$0.24
Manufacturing		\$0.08	\$0.04	\$0.13
Wholesale Trade		\$0.09	\$0.09	\$0.19
Air Transport	\$0.03	\$0.01	\$0.01	\$0.04
Other Transport	\$0.27	\$0.11	\$0.04	\$0.42
Retail Trade	\$0.59	\$0.04	\$0.20	\$0.83
Gasoline Stations	\$0.15	\$0.00	\$0.01	\$0.16
Communications		\$0.08	\$0.06	\$0.15
Finance, Insurance and Real Estate	\$0.11	\$0.59	\$0.62	\$1.32
Business Services	\$0.15	\$0.76	\$0.21	\$1.12
Education and Health Care		\$0.01	\$0.41	\$0.41
Recreation and Entertainment	\$1.63	\$0.07	\$0.04	\$1.74
Lodging	\$1.51	\$0.01	\$0.00	\$1.52
Food & Beverage	\$1.77	\$0.04	\$0.16	\$1.98
Personal Services	\$0.05	\$0.08	\$0.10	\$0.23
Government		\$0.06	\$0.03	\$0.08
TOTAL	\$6.26	\$2.22	\$2.12	\$10.60
% change	3.2%	5.5%	4.3%	3.9%

Source: Tourism Economics

GDP impacts (2 of 2)

The restaurant industry has the largest economic contribution from traveler spending, followed closely by recreation.

Value added impacts by industry, 2018



Source: Tourism Economics

Employment impacts (1 of 2)

Visitor spending directly generated 134,247 jobs and 187,355 jobs when indirect and induced impacts are considered.

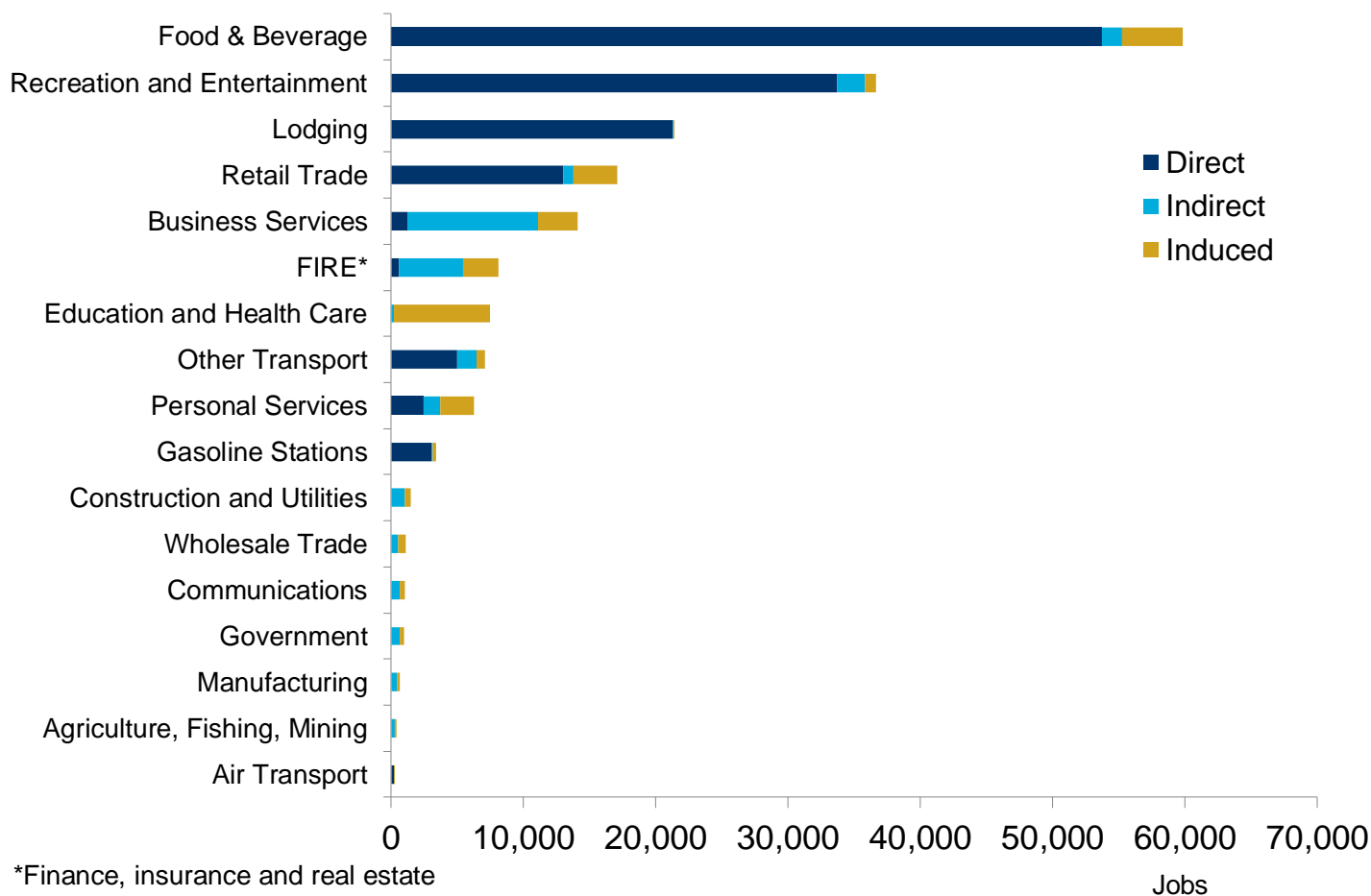
Employment Impacts				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining		276	124	400
Construction and Utilities		1,047	430	1,477
Manufacturing		479	189	667
Wholesale Trade		558	565	1,123
Air Transport	176	41	42	259
Other Transport	4,965	1,481	619	7,065
Retail Trade	13,044	727	3,343	17,114
Gasoline Stations	3,061	73	236	3,371
Communications		670	338	1,008
Finance, Insurance and Real Estate	615	4,816	2,658	8,089
Business Services	1,215	9,888	3,026	14,130
Education and Health Care		223	7,266	7,490
Recreation and Entertainment	33,702	2,144	817	36,663
Lodging	21,287	68	32	21,387
Food & Beverage	53,730	1,517	4,639	59,887
Personal Services	2,451	1,264	2,544	6,259
Government		659	307	966
TOTAL	134,247	25,931	27,176	187,355
% change	0.7%	0.4%	0.4%	0.6%

Source: Tourism Economics

Employment impacts (2 of 2)

The total employment impact of just over 187,000 jobs accounts for 7% of all jobs in the state of Louisiana.

Employment impacts by industry, 2018



Source: Tourism Economics

Personal income impacts (1 of 2)

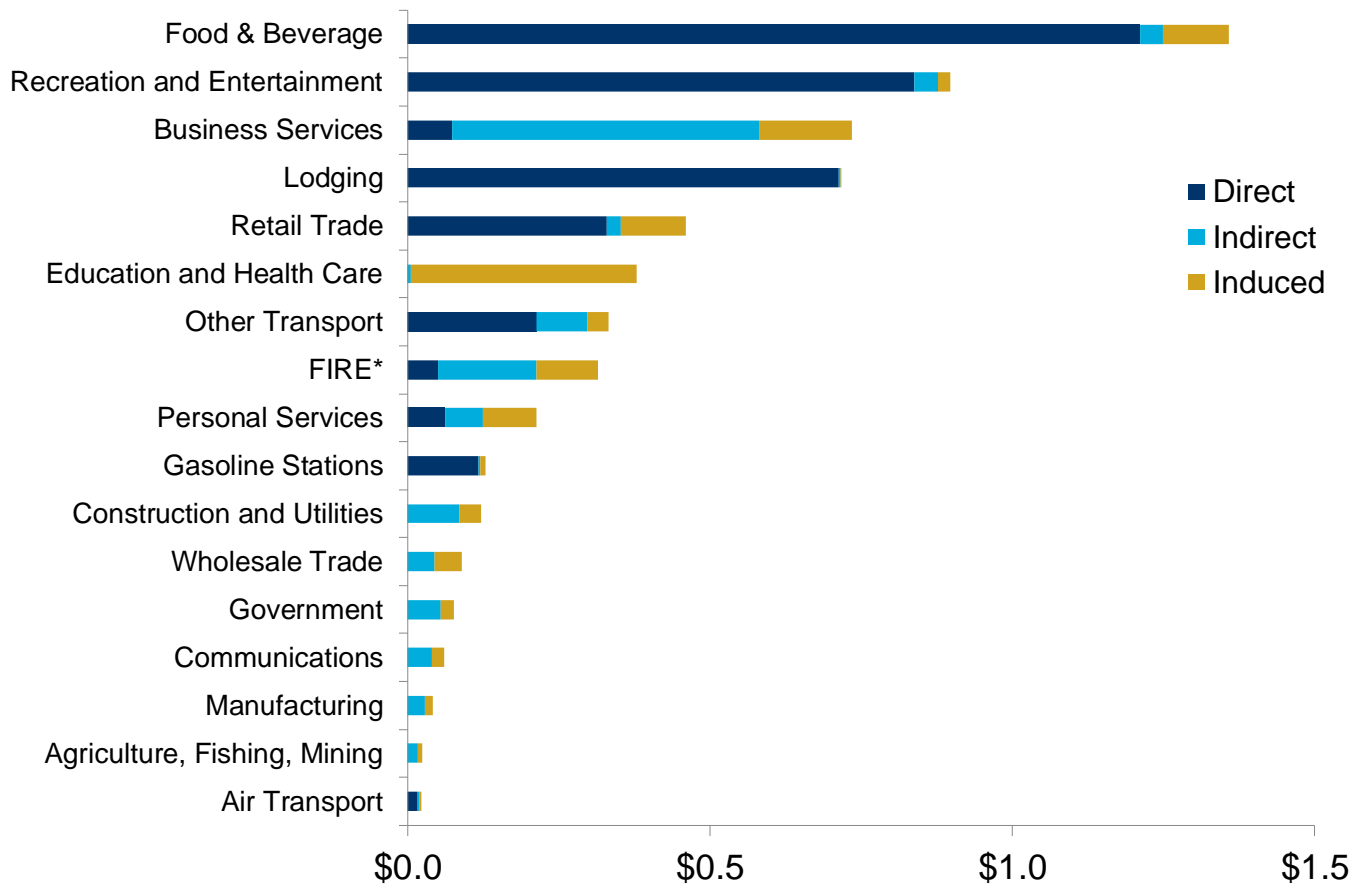
Visitors generated nearly \$3.6 billion in direct personal income and nearly \$6 billion including indirect and induced impacts.

Personal income impacts, billions				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining		\$0.02	\$0.01	\$0.02
Construction and Utilities		\$0.09	\$0.04	\$0.12
Manufacturing		\$0.03	\$0.01	\$0.04
Wholesale Trade		\$0.04	\$0.05	\$0.09
Air Transport	\$0.02	\$0.00	\$0.00	\$0.02
Other Transport	\$0.21	\$0.08	\$0.03	\$0.33
Retail Trade	\$0.33	\$0.02	\$0.11	\$0.46
Gasoline Stations	\$0.12	\$0.00	\$0.01	\$0.13
Communications		\$0.04	\$0.02	\$0.06
Finance, Insurance and Real Estate	\$0.05	\$0.16	\$0.10	\$0.31
Business Services	\$0.07	\$0.51	\$0.15	\$0.74
Education and Health Care		\$0.00	\$0.37	\$0.38
Recreation and Entertainment	\$0.84	\$0.04	\$0.02	\$0.90
Lodging	\$0.71	\$0.00	\$0.00	\$0.72
Food & Beverage	\$1.21	\$0.04	\$0.11	\$1.36
Personal Services	\$0.06	\$0.06	\$0.09	\$0.21
Government		\$0.05	\$0.02	\$0.08
TOTAL	\$3.62	\$1.20	\$1.15	\$5.97
% change	4.0%	2.5%	2.9%	3.4%

Source: Tourism Economics

Personal income impacts (2 of 2)

Personal income impacts by industry, 2018



*Finance, insurance and real estate

Source: Tourism Economics

Tax impacts

Visitors generated state and local taxes of nearly \$1.9 billion in 2018.

Visitors generated \$3.3 billion in federal, state, and local taxes in 2018.

Each household in Louisiana would need to be taxed an additional \$1,082 per year to replace the state and local taxes generated by visitors.

Tourism supported tax revenue, billions			
	Direct	Indirect/Induced	Total
Federal	\$0.86	\$0.56	\$1.41
Personal Income	\$0.25	\$0.17	\$0.42
Corporate	\$0.12	\$0.12	\$0.24
Indirect business	\$0.13	\$0.04	\$0.17
Social insurance	\$0.36	\$0.23	\$0.59
State and Local	\$1.54	\$0.34	\$1.88
Sales	\$0.97	\$0.18	\$1.15
Bed Tax	\$0.17	\$0.00	\$0.17
Personal Income	\$0.05	\$0.03	\$0.08
Corporate	\$0.01	\$0.01	\$0.01
Social insurance	\$0.01	\$0.00	\$0.01
Excise and Fees	\$0.11	\$0.04	\$0.14
Property	\$0.24	\$0.08	\$0.32
Total	\$2.40	\$0.89	\$3.29
% change	4.1%	1.8%	3.5%

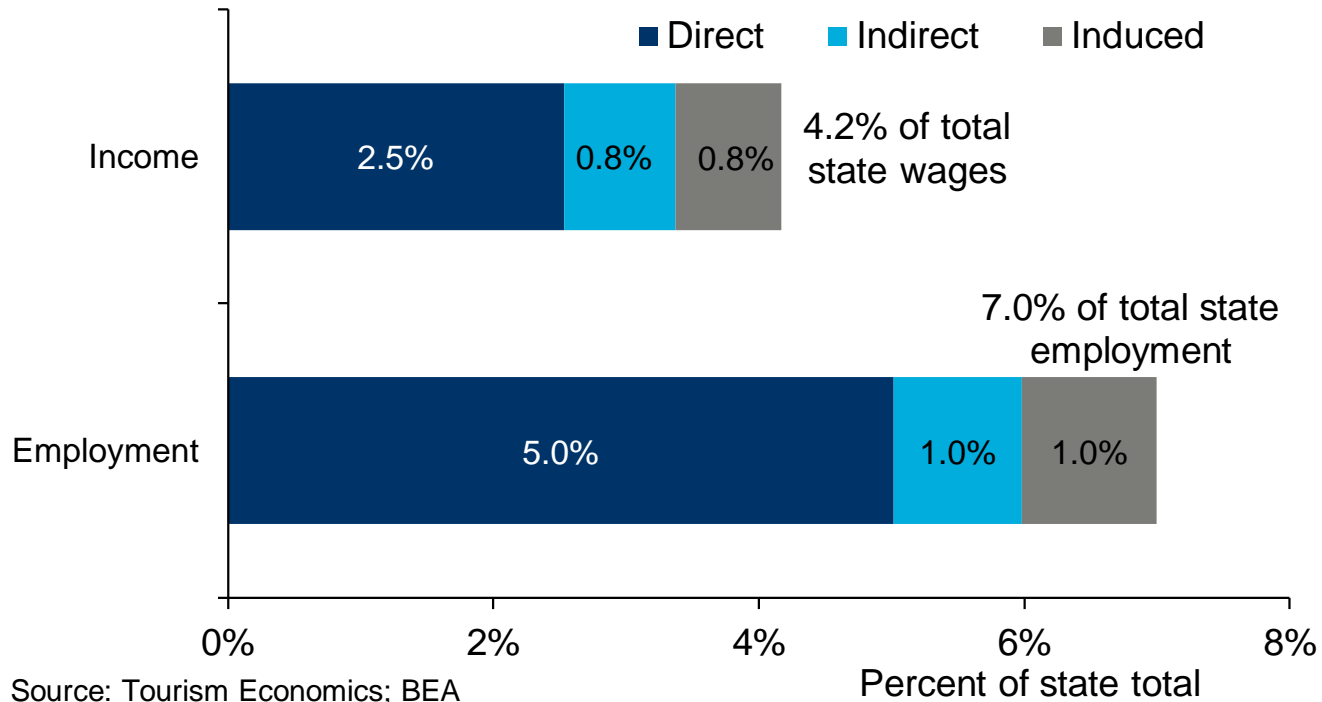
Source: Tourism Economics

4. Economic Impact in Context

The tourism sector is a major contributor to Louisiana's economy

If all employees sustained by tourism were unemployed, the unemployment rate would jump to 11.3% from just 4.9%.

Share of total Louisiana employment and income supported by tourism



Figures in context

Taxes

The \$1,082 each household would have to pay to replace state and local taxes generated by tourism is enough to buy 24 St. Louis Cemetery Tour tickets.

Employment

The total number of jobs in support of tourism (187,355) is 1.8 times the capacity of Tiger Stadium, home of the LSU Tigers.

Income

The nearly \$6 billion in total wages generated by tourism is the equivalent of about \$3,400 for every household in Louisiana.

About Tourism Economics

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of tourism dynamics with rigorous economics in order to answer the most important questions facing destinations, developers, and strategic planners. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, destination recovery plans, tourism forecasting models, tourism policy analysis, and economic impact studies.

With over four decades of experience of our principal consultants, it is our passion to work as partners with our clients to achieve a destination's full potential.

Oxford Economics is one of the world's leading providers of economic analysis, forecasts and consulting advice. Founded in 1981 as a joint venture with Oxford University's business college, Oxford Economics enjoys a reputation for high quality, quantitative analysis and evidence-based advice. For this, it draws on its own staff of more than 120 professional economists; a dedicated data analysis team; global modeling tools, and a range of partner institutions in Europe, the US and in the United Nations Project Link. Oxford Economics has offices in London, Oxford, Dubai, Philadelphia, and Belfast.

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